

August 20, 2015
Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the August 20, 2015 meeting were distributed to Commission members, intervenors and other interested parties on July 23, 2015 and sent to the Secretary of State's Office for posting on July 23, 2015.

Commission Present: Mike Wiers, Colon Durrell, Richard Cook and Stanley Millay

Commission Absent: Matt Randall

Department Officials: None

Staff Present: Tim Drake, Executive Director, Audrey Shorty, Resource Administrator and Carol Gauthier, Office Associate, Josh Panek, Resource Administrator

Legal Counsel: Absent

Others Present: Bob Wellington, Bill Randall and Jordan Clark, Agri-Mark, John Blake, H.P. Hood, Julie-Marie Bickford and Dale Cole, MDIA, Audrey Slattery of DFA/DMS, Walter Fletcher, Barney Wright and Chuck Farrand, Dairy Farmers, Representative Craig Hickman, Mary Frank, member of the public.

Chairman Wiers called the meeting to order at 10:34 a.m.

Agenda Item 1: Minutes: Colon Durrell made a motion to accept the minutes of the July 23, 2015 meeting as presented. Stanley Millay seconded the motion. Motion passed 3-0.

Agenda Item 2: Lauren Parker, Assistant Attorney General:

Agenda Item 3: Minimum Prices:

Tim Drake reported that a prevailing premium of \$1.10/cwt. on Class I for September 2015, Dairy Marketing Services (DMS) and Agri-Mark Co-op had been reported. In addition to this premium, DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in effect. Bob Wellington reported that Agri-Mark had dropped their rBST premium; however their total premium had dropped a total of \$0.20/cwt. He also stated that DFA/DMS sells more Class I milk in southern New England than Agri-Mark. Federal Order One Class I price for September is \$19.59, an increase of \$0.06/cwt. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.35/cwt. He stated that this price schedule was for informational purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked for testimony.

Julie-Marie Bickford stated that all farmers understand the pressure that Co-ops and processors are under but that farmers are being asked to forgo using rBST but are not getting paid for that. In the past there was an ongoing practice of premiums that handled this but now this is being phased out, farmers are asked to do more while being paid less.

Dale Cole stated that pressures are on everyone at this time and that Agri-Mark management has decided to do away with a premium to enhance their bottom line.

Walter Fletcher said that he is in an awkward position being on the board of directors of Agri-Mark while also being a farmer but that this needed to be done to react to the markets and keep Agri-Mark solvent. He

also said that rBST free milk used to be an extra that is now expected by buyers and if not supplied by Agri-Mark it would be acquired elsewhere.

Chairman Wiers stated that the Commission can't be expected to mediate between farmers and Co-ops and that Mr. Fletcher is right, problems do need to be addressed and the markets do need to be reacted to. He then asked for a motion.

Stan Millay asked Bob Wellington if he was correct in understanding that the premiums had been reduced by \$0.20/cwt. overall, and that DFA/DMS' volume of milk was greater than Agri-Mark's in Southern New England.

Bob Wellington stated that Stan Millay was correct.

Stan Millay then made a motion to accept order #09-15 with a producer margin of \$1.35/cwt. and a Commission premium of \$1.53/cwt.

Colon Durrell seconded the motion.

Chairman Wiers called for a vote on the motion. The motion passed 3-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for August 2015 which showed retail prices for Augusta, Scarborough, South Portland, Brunswick, Biddeford, Bangor and Brewer. The IAMCA survey was not available.

Agenda Item 5: Next Scheduled Meetings:

- September 24, 2015, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- October 22, 2015, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- November 19, 2015, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- December 24, 2015, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME

Agenda Item 6: Other:

- A. **Monthly Financial Report:** The first quarter FY 16 report was reviewed.
- B. **Bob Wellington:** Bob gave an overview of the market forces at work which are causing milk prices to be depressed and may cause them to stay that way until late next year.

Agenda Item 7: Executive Session: None

Adjourned: Adjourned; 11:16 a.m. August 20, 2015.
Tim Drake, Maine Milk Commission